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Values and Leadership Development

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Summary

This paper offers a brief multi-disciplinary overview of values and their relevance to leadership and organisational development. A pilot study was conducted with the help of staff in four organisations (three German and one British) to understand how their published values are translated into behaviours and attitudes in the workplace. Twenty-six telephone interviews were completed with senior managers, middle managers and regular employees.

The findings revealed that it is values and not norms that should be embedded within the culture of an organisation. Furthermore, it became apparent that open discussion and connectedness are vital for the success of any organisation attempting to make a transition from a culture dominated by norms to one underpinned by values. The latter provide genuine meaning to work life. Reflection on values makes us aware of what is important to us. To have self-knowledge of our personal values is essential for choosing the right career. Values are also the basis for good cooperation, and good cooperation increases our well-being as has now been scientifically proven by neuroscience. Further research is recommended to gain deeper insights into the practical implications of making a distinction between norms and values, and to explore the crucial need for closer connectedness.

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Introduction

The current grave global economic and environmental crises are an invitation (one we can scarcely refuse) for us to reflect and review how we relate to work, to nature and to each other in society. There is a widespread view that we have made innumerable moral mistakes (Lewis, M. 2011), while the behaviour of contemporary business and political leaders has been variously described as immoral, unjust and lacking coherence (Greenberg, M. 2011). The challenge then, is for society to somehow produce leaders with strong moral values and integrity. That ambitious goal requires theoretical support, reflection and action.

Manipulations in the financial and business sectors – for example the LIBOR interest rate scandal and more recently Volkswagen’s rigging of emissions tests in its diesel cars – are not the first “collapse of morals” in the history of the Western world. The South Sea bubble of 1720 was a case of outsourcing public debt which almost brought the collapse of a British government; tulip mania in Holland in 1636 saw speculation reach a point where a single bulb could cost as much as a house (Garber, P. 1990); the unelected power of the “robber barons” in the United States at the end of the nineteenth century led to the legislated end of monopolies in steel, oil, railroads and telecommunications (Bork, R. 1966); the 1990s saw the excesses and collapse of Enron, accusations of fraud by BCCI and the criminal actions of Robert Maxwell. The response has often been the introduction of new laws intended to constrain these activities (Perkins, E. 1971), yet what is perhaps most telling is the fact that the cycle repeats itself – at first business, private equity and the joint stock company are encouraged for their ability to advance development, then business goes too far and is reined in by the government that had provided the framework which had facilitated and protected these business dealings in the first place.

The cycle is evidence of both the inadequacy of legislative responses and the dangers of untrammelled capitalism. Goodness cannot be guaranteed by legislation, and human frailty cannot be spirited away by new regulations. Without appropriate leadership, moral education and a re-examination of the very purpose of business there can be no lasting change. It is not that legislation and rules are unnecessary, rather that there is a wider whole which recognises that there cannot be a set of rules for business which are at odds with those for life in general, that business cannot be seen as impersonal or amoral, and that we need to engage in discussion about what is of value. In that context, leadership, and particularly the personal example set by leaders, is an important and proven way of changing moral behaviour in the community, in the workplace and in politics (Illes, K. and Zsolnai, L. 2015).

Research in the fields of leadership studies, neurobiology, organisational and leadership development suggests that the socioeconomic, geopolitical and cultural-spiritual challenges of our time are interconnected (Guattari, F. 2000). To address them we need a fundamental change of perspective: “Not only do we have to change things, but we have to change the way we see things” (Brabandere, L. de. 2005, p. xi). Leaders, usually working under intense pressure exerted from within and without their organisations, have a key role to play in recognising individual and collective responsibilities and showing the way towards a more human and healthier way of life. Learning to see beyond the familiar requires a particular kind of deep personal and collective listening, and clarity about values, purpose and the intent to do good. The challenge is to achieve this in a fast-paced world.

The *Werte Index 2016*, a German publication, surveyed the values displayed in social media in German-speaking countries and found that individuals tend to take more ownership of their

lives, define the values of their own worlds and seek the company of those who share similar outlooks on life (Wippermann, P. and Krüger, J. 2016). The retreat into one's "own small world" created to personal preference counterbalances the insecurities and complexities of the external world. In one's own small world it is easier to find identity, approval and security.

The survey's authors put forward 10 recommendations for organisations wanting to respond to the changing needs and expectations in their workforce. They include open and honest communication; expressing corporate relevance through values; showing emotions such as empathy; empowering people and promoting the wholeness of the individual; and reducing complexity by developing the company's own standards. However, simply talking about these issues is not enough – words need to be put into action.

The need for practical action is becoming more urgent, as the so-called "Generation Y" does not appear to be as compliant as the workforces of past decades. For this upcoming workforce different ways will be needed to motivate and ignite the passion for values (Connor, H. and Shaw, S. 2008). This is likely to be difficult as examples of how the challenge might be met are few and far between. *The Art of Japanese Management* (Pascale, R. and Athos, A. 1982) looks at the Matsushita Corporation – today known as the Panasonic Corporation – in the 1980s and how the company provided meaning to its employees beyond the products it produced. They quote an executive explaining the company's approach: "It seems silly to Westerners but every morning at 8:00 am all across Japan, there are 87,000 people reciting the code of values and singing together" (Pascale, R. and Athos, A. 1982, p. 50). It is hard to see how this leadership approach to convey values was appropriate in Western societies in the 1980s, and today it is totally unimaginable. Thus, in order to fulfil this challenging task leaders need a deeper understanding of values, formed with innovative theoretical input from different disciplines. Indeed, there have been calls to completely reframe the field of leadership studies (e.g. Grint, K. 2005; Bolden, R. et al. 2011). Leadership, it is said, "is too important to be left to leaders" (Grint, K. 2005, p. 4) because it is an interaction of people and situations rather than an action of an individual leader (Spillane, J. 2004).

This paper chooses a twofold approach to the exploration of organisational values. It starts by analysing some of the main theoretical frameworks and reflects on their practical contribution. Secondly, a piece of empirical pilot research is offered, and we discuss how values are identified and to what extent they are translated into the behaviours and attitudes of leaders, managers and regular employees. The data for this pilot study was collected via telephone interviews with the staff of four organisations: three in Germany and one based in the UK.

The aim of this exploratory study is to identify current organisational practices in keeping their published values alive, and gain some insight into the role of leaders in translating those values into behaviours and attitudes. The findings of this study are also connected to previous findings in the relevant scholarly literature.

Leadership and leadership development

US business alone spends more than \$164 billion annually on employee learning (State of Industry, 2013), and \$14 billion on leadership development (Loew, L. and O'Leonard, K. 2012). In the UK a Chartered Management Institute (CMI) report (McBain et al. 2012) suggests that organisations spend between £1400 and £1700 per annum per person in a managerial role on leadership and management development programmes. Is this money well spent?

A 2011–2012 Gallup study (gallup.com) that was conducted in 142 countries revealed that only 13% of employees worldwide are fully engaged at work. In other words, about one in eight workers – roughly 180 million employees in the countries studied – are psychologically committed to their jobs and likely to be making positive contributions to their organisations. Worldwide, actively disengaged employees outnumber engaged employees by nearly 2-to-1: actively disengaged 24%; not engaged 63%; engaged 13%. The figures are no more encouraging when we look at Western Europe. Here, 14% of employees are engaged, 66% are not engaged and 20% are actively disengaged.

The 2015 Edelman Trust Barometer indicated that people distrust change for change's sake: “By a two-to-one margin, respondents in all nations that took part in the survey feel the new developments in business are going too fast and there is not adequate testing. Even worse, 54% say business growth or greed/money are the real impetuses behind innovation – that is two times more than those who say business innovates because of a desire to make the world a better place or improve people's lives” (Edelman Trust Barometer, 2015).

A recent study (Amabile, T. and Kramer, S. 2011b) found that managers at all levels regularly undermine the meaningfulness of work for their subordinates. They often dismiss the importance of subordinates' work or ideas and destroy their sense of ownership by shifting people around too often and constantly changing goals.

Jan Hills found that sophisticated development programmes, many at high ranking institutions, cost much more than the CMI but fail to get changes in behaviour (Hills, J. 2013). According to Hills the programmes are not designed to be compatible with how the brain learns and how behavioural change takes place. Attending a lecture or learning about a new intellectual model very rarely leads to a change of behaviour.

The search for integrated and practical approaches to leadership and organisational development to support the well-being of leaders and followers in the workplace comes from many fields including critical management studies (Sinclair, A. 2007; Ford, J. and Harding, N. 2007; Cunliffe, A. 2009; Alvesson, M. and Spicer, A. 2012), philosophy (Ladkin, D. 2010), business and virtue ethics (Zsolnai ed. 2015; Ciulla, J. 2011) and neuroscience (Hanson, R. 2009). Other contributions to these debates come from more unexpected sources. An article in *McKinsey Quarterly* (Barsh, J. et al. 2010) suggests that many leaders think of themselves as professional athletes who are constantly in training. They continuously try to manage their energy and fortify their character. There is a growing recognition of the possible contribution to sound business judgement of physical and emotional health, nutritious diet, good sleep patterns and an ability to stay centred.

What is clear is that the statistics and recent research clearly signal that we need to rethink leadership development and put more emphasis on enabling leaders and followers to gain clarity about their values, their purpose and how they want to make a difference in the life of the organisation. Some organisations offer training programmes in corporate values to all new staff, while others concentrate primarily on the development and value awareness of senior staff. However, *The Progress Principle* (Amabile, T. and Kramer, S. 2011a) found that the single most important factor that keeps people engaged at work is making progress in meaningful work. “Even incremental steps forward – small wins – boost what we call ‘inner work life’: the constant flow of emotions, motivations, and perceptions that constitute a person's reactions to the events of the work day. Beyond affecting the well-being of employees, inner work life affects the bottom line” (Argawal, S. et al. 2010). In short, people are more creative, productive, committed and collegial in their jobs when they have positive inner work

lives. The most important requirement is for the work to be meaningful to the people doing it (Atabaki et al. 2015).

Values

Values contribute to meaning creation and enable the individual to make sense of life and develop self-worth. In business “creating value” is a guiding principle of decision making and is mostly expressed through financial indicators. Managers are familiar with the term “value” as when used in e.g. “value chain analysis” and “net present value calculations”. So in a manager’s world the term value is often closely related to money and profit, a very restricted view. In this context what has got “value” is solely based on the evaluation and thus the price the customer or client is prepared to pay for the good produced or services provided. Where does this leave the company and its employees in regard to values and meaning in a deeper sense? What is the role of values in human lives and how does it affect well-being? How can we understand and define “values” in this context? Can values be changed, and if so, how?

Definitions

In psychology there is no clear-cut common understanding of what values are and what they are not (Rohan, M. 2000; Hitlin, S. and Piliavin, J. 2004). However, the distinction has been made between values and other terms such as attitudes, belief, needs and wants.

The most influential (Hitlin, S. and Piliavin, J. 2004) although often criticised (Graumann, C. and Willig, R. 1983) definition has been provided by Kluckhohn (1951, p. 395): “A value is a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable, which influences the selection from available modes, means, and ends of action.” In this definition values are primarily seen as impacting action.

In contrast to Kluckhohn, Rokeach (1973, p. 5) sees values as “enduring beliefs that a specific mode of conduct is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.” By this definition values give meaning to action.

Schwartz and Bilsky (1987, p. 551) analysed the discussion of value definitions and identified five characteristic features of values common to most definitions. They are: (a) beliefs (b) about desirable end-states or behaviours (c) serving as trans-situational guides (d) for the selection and evaluation of behaviours and events. And (e) they lead to the relative ordering of beliefs, desirable end-states or behaviours, or guides.

More recent discussions question the assumption that values are about desirables (Braithwaite, V. and Scott, W. 1991; Rohan, M. 2000). Rohan (2000) defines values as the result of an individual’s judgemental process on how to enable best possible living. Thus values describe wants rather than the desirable.

Joas, from a social philosophy perspective, sharply contradicts this definition and emphasises that values are not about something that is desired but about the idea of a desirable state. “Values do not describe what is good ‘for me’ in the sense of my own happiness, but what is good ‘for me’ in the sense of my honest understanding of the good, of my being captivated by values. On the one hand, I myself am, or my happiness and well-being are, the standard of my judgement; on the other, I am only aware of the fact that in making a judgement I am the one who judges – the standard, however, lies outside myself” (Joas, H.2006. p. 12).

The above discussion might seem purely academic from a leadership perspective but we believe it is not. Defining values as wants makes them more susceptible to adaptation than the idea of values as desirable end-states.

A common notion is that values are a relatively stable motivational structure (Bardi, A. et al. 2009; Rohan, M. 2000; Rokeach, M. 1973; Schwartz, S. 1992). This highlights the importance of values as stabilising factors in turbulent times, providing an anchor and a standpoint for new orientation in changing environments. However, the actual meaning of “relative stability” might vary with the definition.

Another generally supported notion is that values are cognitive structures (Rohan, M. 2000). Cognitive structures imply a rational learning process. However, recent research in neuroscience has found indications that some values which are important for social cooperation, such as fairness and trust, have been encoded by evolution in the brain structure of primates (Ruff, C. and Fehr, E. 2014). The pure cognitive structure of values has also been challenged. Definitions by Marini and Feather (Marini, M. 2000; Feather, N. 1980) posit a connection to the affective structures. Marini defines values as “evaluative beliefs that synthesise affective and cognitive elements to orient people to the world in which they live” (Marini, M. 2000,p.28). Research in the field of neuroscience on social learning supports the involvement of affective brain structure in social decision making, and has shown the involvement of the cortical and subcortical brain areas (Ruff, C. and Fehr, E. 2014). This is in line with neuroscience findings that the affective system is always involved in decision making processes (Damasio, A. 1994).

Assuming a definition of values with the focus on wants and cognitive structure as key characteristics suggests a better chance for leaders to induce the adoption of values at a personal level. In contrast, assuming desirability and a combined cognitive and affective structure as key characteristics of values means that bringing about value change at personal level will be much harder to induce.

The Schwartz value circle

The Schwartz Value Theory (Schwartz, S. 1992) originally defined a set of 10 universal basic values. The model was recently redefined, and now a set of 19 universal basic values are offered (Schwartz, S. et al. 2012). The underlying definition of values is that they are “trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or a group” (Schwartz, S. et al. 2012, p. 664).

The major theoretical achievement of the Schwartz Value Theory is the arrangement of the identified values in a circle which reflects “a motivational continuum” (Schwartz et al. 2012, p. 664) and displays the patterns of relations in terms of conflict and congruity among values. The closer a value is located to another the more they are positively correlated; an opposite location indicates conflict (Bardi, A. and Schwartz, S. 2003).



Taken from Schwartz et al. 2012, p. 669.

The table below briefly outlines the 19 values in the refined Schwartz Value Theory:

Value	Conceptual definition in terms of motivational goal
Self-direction–thought	Freedom to cultivate one’s own ideas and abilities
Self-direction–action	Freedom to determine one’s own actions
Stimulation	Excitement, novelty and change
Hedonism	Pleasure and sensuous gratification
Achievement	Success according to social standards
Power–dominance	Power through exercising control over people
Power–resources	Power through control of material and social resources
Face	Security and power through maintaining one’s public image and avoiding humiliation
Security–personal	Safety in one’s immediate environment
Security–societal	Safety and stability in the wider society
Tradition	Maintaining and preserving cultural, family, or religious traditions
Conformity–rules	Compliance with rules, laws and formal obligations

Conformity–interpersonal	Avoidance of upsetting or harming other people
Humility	Recognising one’s insignificance in the larger scheme of things
Benevolence–dependability	Being a reliable and trustworthy member of the ingroup
Benevolence–caring	Devotion to the welfare of ingroup members
Universalism–concern	Commitment to equality, justice and protection for all people
Universalism–nature	Preservation of the natural environment
Universalism–tolerance	Acceptance and understanding of those who are different from oneself

Interestingly, values such as trust and fairness were not explicitly defined as basic values in the Schwartz Value Theory, although they can be indirectly associated with the 19 values that it enumerates.

At the individual level values are prioritised according to the individually perceived importance of the value, resulting in a rank order – the intra-individual value system.

The introduction of a pattern of relationships among values is a major distinction of the Rokeach Value Survey (Rokeach, M. 1973), which measures priorities of values without an underlying theory: “... therefore the Rokeach Value Survey is essentially a list of unconnected value words” (Rohan, M. 2000, p. 260).

The validity of the Schwartz Value Theory circle has been supported by hundreds of studies (Schwartz, S. et al. 2012).

The relationship between values and behaviour

We study values to understand how they impact overt behaviour. “Unless there is a clear link between values and behaviour, there is little point to efforts to establish and change values in daily conducts, such as in education and the mass media” (Bardi, A. and Schwartz, S. 2003, p. 2007). Various empirical studies have investigated the relationship between values and behaviour, but a strong and general relation could not be established (Bardi, A. and Schwartz, S. 2003).

Schwartz’s own research on the relationship between values and behaviour found that the norms of a social group have an oppressing effect: “Norms for behavior in relevant groups pose

an important situational pressure [...] People may conform with norms even when the normative behavior opposes their own values” (Bardi, A and Schwartz, S. 2003, p. 1217). But what are norms, and how do they compare to values?

Essentially, norms are values at group level (Hitlin, S. and Piliavin, J. 2004). According to Joas there is a major difference in how we perceive values and norms at a personal level (Joas, H. 2006). Values are attractive, norms are restrictive. The implications of this distinction for leadership are profound. In real life it means that norms have to be enacted or controlled in some way. Values, however, by nature imply a natural striving and a strong personal identification. If we share values then we will have a common understanding. There is no need to control action based on shared values. Leading by shared values is the basis for successful empowerment and enabling autonomy. It seems reasonable to assume that most corporate values are designed by top management regardless of the values held by employees. If values are perceived as norms they may not possess the enabling and motivating qualities to make the values real and meaningful. We may put it thus: norms do not make values automatically come alive.

Interestingly, findings in neuroscience show that being simply observed during social decision making and the mere anticipation of feedback by a peer influences the outcome of the decision. The authors of this paper consider this to be an important indicator for the status of norms and the controls on them required to ensure beneficial outcomes.

Neuroscientific experiments and research on social decision making have shed new light on the relationship between values and behaviour (Ruff, C. and Fehr, E. 2014). It seems that values are not equally mapped in all situations; context is absolutely key, in particular the degree of connection that exists between the people involved. When making social decisions that affect others much depends on how the observed person is perceived with respect to similarities to oneself, and if they have previously shown fairness and friendship, or are part of the same social group. Indeed, whether a person was perceived as belonging to one’s own group or to a rival group had a strong impact on the responses. Another experiment demonstrated that if a person making a positive social decision felt closely connected to others who would be affected by his choice, he felt a higher level of reward. Other studies demonstrated that cooperation generally leads to a greater sense of reward.

Neural representations of motivational relevance for social choices are always checked for consistency. Anticipated and experienced values of social decisions are compared and encoded in the brain as prediction error. For leadership this means that there is a strong need for consistency in displaying value-based behaviour.

Experiments using the trust game suggest that prior and strong beliefs about a person or situation can overrule the importance of new information in the social decision making process. For leaders, this finding may imply that to induce a change of values is much harder to achieve if the workforce has a strong beliefs on how the company is working and what is really important.

What seems to be key is that there are no automatic and context-invariant responses, and connectedness is crucial.

Value change

As mentioned above, values are generally considered to be relatively stable in adulthood, but we know that changes can still occur. From a leadership perspective the crucial question is: how can changes in values be invoked and directed?

According to the Schwartz Value Theory a change in values implies a new ranking order of values in the value circle. Thus a value change is viewed as reinterpretation of the perceived importance of values by a person leading to a new rank order in the intra-individual value system. Due to the structural pattern among values rank order changes not only impact one value – the whole system is affected. If the importance of a value increases, the same applies to adjacent values while (conflicting) values located on the opposite side are considered less important (Bardi, A. et al. 2009).

If values are considered as central for the concept of the self then they are likely to be resistant to change (Bardi, A. and Goodwin, R. 2009). Besides the relevance of values for the concept of self, another potential reason for the relative stability of values is that they are based on “truisms”, i.e. people do not think about them in depth (Maio, G. and Olson, J. 1998; Maio, G. 2010). Direct attempts at persuasion, such as media messages, education programmes, etc., are less likely to succeed in influencing values so they are not considered important (Bardi, A. and Goodwin, R. 2009).

Internally motivated adjustment of values might stem from conflicting values. Opposing values lead to internal conflicts, and if this personal value conflict arises repeatedly the likely reaction will be a value shift. Decreasing the relative importance of one value and increasing the value of the opposing value should avoid further repetition of the internal conflict. However, the conflict must arise repeatedly to induce a value change, a single occurrence is not sufficient. Here, leadership could actively assist by helping to address the dilemma and participating in the reflection process.

Rokeach (1968, 1973) suggested that the reason for value change was the consistency of the self-concept. When inconsistencies are experienced in the self-concept one is motivated to resolve these by readjusting the importance of values. He developed a well-tested intervention. After the individual's values are revealed an interpretation of the individual value system is given which puts the person in a negative light. In order to remedy the resulting inconsistency in self-perception a change in the value system with a new rank order can be observed.

Externally motivated adaptation of the intra-individual value system comes from changes in life circumstances. There are two distinct reasons to change values in the event of new life situations. The new circumstances can result in the inability to fulfil certain values. The continuous frustration of non-fulfilment might lead to the abandonment of these values. The other reason is to conform with the values endorsed by the social environment (role expectations). Bardi et al. (2009) found that the need to adapt to challenging situations has a strong impact on value change regardless of age. The extent of situational change is a much stronger predictor for value change than age when researching the impact of life events (Bardi, A. et al. 2009).

These findings are supported by neuroscience. Neurobiological research over the last few years (Hüther, G.) has discovered that the neuronal and synaptic connections in the human brain can be altered regardless of age. “Brain plasticity” is particularly impacted by experiences involving (strong) emotions. Powerful emotions lead to the release of trophic, hormone-like substances, stimulating the growth and the reorganisation of nerve cell contacts and connections. Such emotions arise, for example, in the phase of the stress-response in reaction

to problems. A routine reaction does not lead to any alterations. Brain plasticity secures the human ability to adjust to the appearance of new demands throughout life.

Another aspect supported by neuroscience is value change resulting from the need for conformity. The wish to conform to the values of a group leads to the internalisation of the group values, i.e. its norms. It could be demonstrated that neural effects of disagreement were more pronounced if a subsequent change of values occurred (Ruff, C. and Fehr, E. 2014). Experiences of social isolation and rejection can be assumed to be a major force influencing conformity with social norms. Social exclusion creates the same neural reactions as physical pain, which could be actually relieved by the administration of pain killers (Ruff, C. and Fehr, E. 2014).

Turbulent times mean that the environment becomes increasingly less stable. How this impacts a person's readiness to adapt their values is an interesting question. Bardi and Goodwin (2009) suggest an increase in value change as adaptation to the new situations is required more frequently. However, the authors suggest that the opposite reaction is also possible. Values are supposed to serve as an anchor in turbulent times, yet if consistency in connectedness to social groups and a sense of belonging is decreasing the impact of the social group might lessen and a stronger focus be placed on one's own values (as indicated by the *Werte Index 2016*).

Neuroscientific findings on social learning suggest that the relation to the social group is a key factor (Ruff, C. and Fehr, E. 2014). Social learning works only if the observed person is considered to be part of the same social group, or is seen as an admired role model. Thus the common notion of management or senior staff serving as automatic role models for the rest of the workforce is not working per se.

One way to influence social behaviour is by priming. By setting a cue which through association stimulates a mental representation (memory) which then subconsciously influences behaviour. The effect of priming is based on Hebb's law which states that "cells that wire together fire together" (Bargh, J. 2006). Stand-up displays of corporate values are, for example, a way of priming. Yet, they have to be considered noteworthy by the employees, otherwise the prime is not noticed as beliefs make us notice selectively (Weick, K. 2009). Bardi and Goodwin (2009) come to the conclusion that priming needs to be constantly repeated to induce not only a temporary, but a permanent change.

Research method and data collection

The aim of this exploratory research was to identify organisational values and examine how they are translated (or not) into appropriate behaviours and attitudes in the workplace. The underlying research questions were:

- To what extent are employees aware of their company's published corporate values?
- Are the corporate values meaningful and relevant to the employees' private life?
- Are the values perceived to be relevant in their daily working life?

The data was collected through telephone interviews, conducted between the 25th of January and the 25th of February 2016.

For the sampling we chose companies which displayed a strong focus on values, assuming this to be the best approach to explore how values are positively enacted (purposive sampling). Nationality was no criterion for the selection of companies. For each company the sample had to include employees at all levels – senior and middle management and regular employees. The contact person in each company asked for voluntary participants and provided us with contact details. The organisations were two manufacturing companies and two service providers, one from the UK and three from Germany. In total, 26 people were interviewed. Eleven were male and 15 were female. Seven held senior positions, 11 were middle managers and six were regular employees. Our method of sampling was self-selecting as participants freely chose to respond to our invitation to take part in the study. There is a positive bias to values in our data because all participants were interested and willing to discuss the matter.

We applied a qualitative research approach using semi-structured interviews. The interview design selected was a standardised open-end interview, in which all participants were asked identical questions; the wording of the question being open-ended, the participants could choose their own wording when answering the question. “This open-endedness allows the participants to contribute as much detailed information as they desire and it also allows the researcher to ask probing questions as a means of follow-up” (Turner 2010, p. 756). Following this approach meant that the length of the interviews varied substantially. The interviews were planned for approximately 30 minutes and the researchers allowed the interviewees to decide the length of their answers to the questions. It was interesting to see that the majority of interviewees gave brief and focused answers so their interviews were completed in 10–15 minutes. However, some gave examples and explanations, shared stories and talked for up to an hour. One candidate’s interview took 90 minutes.

We intended to avoid bias of preparation and did not share the questions with the interviewees prior to the telephone call. We made sure that the participants were happy to talk about the subject, understood our research aims and were confident in their personal and organisational anonymity.

The researchers took notes during the interview and cross-checked these the interviewee. The notes were written up right after the telephone calls while the details of the conversations were still fresh in the minds of the interviewers. Some of the interviews were conducted in English and some in German. The German interviews had to be translated into English, and the researchers made every attempt to avoid loss of meaning in this process.

The interview data was analysed manually. The coding of the interviews was based on evaluative content analysis using a mixed approach of deductive and inductive categories (Mayring, P. 2014). Deductive categories are developed a priori and based on theories and previous research, while inductive categories are developed in the process of analysing the interviews. The categories used nominal and ordinal scales. Subsequently, the data was descriptively and statistically (code frequencies) analysed.

The findings follow a “contextual constructivist” position (Madill, A. et.al. 2000). “Quality content research is a form of inquiry in which the researchers make an interpretation of what they hear, see and understand. The researchers’ interpretations cannot be separated from their own background, history, context and prior understandings” (Creswell, J. W. 2007, p. 39).

Findings

In the next part of the paper we present our findings, following the four main questions of the interview schedule.

Knowledge of values

Everybody who participated could recall some of their organisation's officially stated corporate values, but only a few could recall all of them correctly. We found that some people in all but one company internalised what they experienced in the workplace and considered these experiences as corporate values. Learning about the corporate values happened in more than half of the cases through a combination of social learning and cognitive understanding. Social learning is based on role models and active discussions. Cognitive measures include cognitive induction programmes, brochures and public displays. In one organisation a great emphasis is put on active reflection and regular group discussion about the values.

We identified three categories of reason as to why the corporate values were considered important: they were seen as enabling good cooperation; they served as a guideline; and in a few cases values were looked upon as a unique selling point of the company. About half of the interviewees found no conflict between the values, while others noticed the potential and sometimes actual conflict between the different corporate values.

Corporate values in daily life

At their workplace interviewees experienced a broader – and sometimes different – set of values than the values officially proclaimed by the company.

The lived values impacted the daily work of almost all participants. More than 80% said they were expected to follow the values at work. Some interviewees felt that they were not asked to follow the norms and were rather invited to join the living culture and values.

We received a wide range of answers to the question about the consequences of values violation. About one-quarter of the interviewees said they didn't know what would happen to a person engaged in such activities. Others had some idea about the possible consequences. These answers ranged from "nothing will happen", "feedback talks" to "disciplinary procedures" and "contract termination". We had the impression that procedures on what to do when someone is violating the values are often neither well defined nor made transparent.

We also found that managerial guidance about applying the values in daily work is another issue. About one-quarter said they didn't receive any guidance at all. Others mentioned that guidance was indirectly obtained as part of personal development programmes or by observing role models; a few referred to leaflets and brochures. Only about one-fifth of the interviewees said they had active talks and discussions about values.

Personal identification with corporate values

All interviewees considered the corporate values they remembered as relevant for them outside work. One interviewee said: "you don't stop being the same person when you leave work." We found that for the majority of interviewees there was at least one corporate value that was also an important personal value for them at work and in private life. Values such as respect, honesty, trust, fairness and support for each other were often mentioned.

Relationship management

We were interested to find out the level of social interaction between members of the organisation who held different positions in the organisational hierarchy.

Depending on the level of identification with the corporate values, individuals were more open and willing to socialise and meet with their superiors or subordinates outside work. We received a broad range of responses to this question. Some said that they would never go out socially with their managers, others were happy to spend time with their employees/superiors outside work. A number of people said that they were happy to ‘mingle’ with everybody at special corporate events such as a Christmas party.

Discussion and recommendations

We are confident that values are positively related to and central to the concept of the self, and are distinct from norms. This might explain why most interviewees could not recall all of their organisation’s corporate values, even if there were only a few of them. The values that were remembered matched mostly with the personal values stated, and being high on the personal value rank order certainly made them more noteworthy.

Both the literature review and our empirical findings suggest that the active participation of as many employees as possible at all levels in the process of defining the corporate values is essential for successfully embedding and, when necessary, changing them.

We would like to make the following observations and recommendations:

- Discussion initiates the reflection process about personal values and enables the detection of truisms. Sufficient time for the discussions should be allowed. The views of all participants should be taken seriously, and their elaborations listened to regardless of their position. The meeting must not be a platform for senior management to push through their ideas in disguise, and the results should be supported by a large majority. This way the finally agreed values are really values and not norms, although of course it might mean that not all of the senior management values find support while others are considered important.

Charismatic leaders might be able to easily impose their ideas on the rest of the group by the sheer force of personality. But they should refrain from doing so, and leave the group enough room for reflecting freely on the values.

The whole process will increase the level of connectedness of all participants. If someone cannot agree at all with the process they might even decide to leave the organisation. This should be considered as something beneficial to the company.

- By including employees from all levels the chances are increased that these employees can serve as role models for their specific social group and spread the values. This is likely to increase the “ripple-effect”.

Discussions about values should not only take place once. They need to be repeated on a regular basis. As the environment is not stable, a need for adaptation might arise periodically.

Senior management holding large meetings to explain the organisation’s values to the employees are not considered very fruitful. Such gatherings tend to be a direct attempt at persuasion that might have a temporary impact but will not lead to lasting results. The popular means to roll out values to employee (brochures, stand-up displays, emails and public announcements) are not effective either unless they are closely connected to deepened

reflection on values. Some of the methods of value promotion mentioned above might not even be noticed by the employees.

The interviews revealed that priming is very effective if the basis has been effectively provided. For example, value buttons displaying a value specifically assigned to each employee were highly regarded and they seemed to really express a part of the interviewee's personality. As values are central to the concept of self this method only works if the value is fully supported by the employee and not forced upon them.

Our empirical research suggests that there is little guidance for how to live values in daily corporate life. Employees rarely receive feedback on their displayed behaviour, or guidance on how to solve value-related conflicts. In most cases there are no clear procedures for value violation. Incidents are decided on a case by case basis. We assume this might be due to the lack of available interventions for leaders, and would suggest that further research is needed in this field.

The authors believe that it is a real challenge for leadership in less stable, complex environments to establish a feeling of connectedness between employees and the organisation. As research shows, close connectedness is key for social behaviour and social learning. Having "no access" to a person makes it virtually impossible to influence his values. We assume that specifically Generation Y employees will challenge corporate values and critically review if they want to belong to that social group.

Values give meaning to working life. Reflection on values makes us aware what is important to us. To have self-knowledge of values is essential for choosing the right career. But it is more than this: shared values were considered by many interviewees to be the basis for good cooperation. And good cooperation increases our sense of well-being as has now been scientifically proven by neuroscience.

Conclusion

In this paper we set out to look at published organisational values and how they are implemented in daily life. We reviewed a number of value definitions and described Schwartz' circle of values. We made a distinction, in agreement with Joas's work, between norms and values, and suggested that norms are external and restricting and values are internal and motivating.

The literature review that we conducted indicated a number of possible ways to embed values in organisations. Our empirical research supports some of these findings. However, it also became quite clear from our data that the emphasis should be on embedding values rather than just reinforcing norms in working cultures. The transition from norms to values is not an easy one. We argue that open discussion and connectedness are vital to the success of this process.

Leaders need to become more aware of the potential conflict between values; they should reflect, listen and engage widely in discussion in order to understand the current realities of lived values across their organisations. This is one significant way to explore new ways of living values passionately and collectively.

Limitations and further research

We are aware of the limitations of the study. The sample size was small and it did not allow us to draw general conclusions.

The interviews were conducted via telephone, and the researchers could not observe the body language, the facial expressions and the work environment of the participants. The interviews were not recorded so we could not offer direct and exact quotes in this paper. A further study based on our findings could research a larger number and culturally diverse set of organisations. In this way, our bias towards more value-aware organisations could be avoided. Such further research might strengthen the practical implications of making a distinction between norms and values and highlight the importance of personal connectedness in organisations.

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